



INTERIM REPORT
JANUARY-JUNE 2013

PKC GROUP 

**PKC GROUP'S INTERIM REPORT 1-6/2013:
SOLID PERFORMANCE CONTINUED****APRIL - JUNE 2013 HIGHLIGHTS**

- Revenue decreased 4.0% on the comparison period (4-6/2012), totalling EUR 235.1 million (EUR 244.8 million).
- EBITDA before non-recurring items was EUR 20.6 million (EUR 22.9 million) and 8.8% (9.3%) of revenue.
- EBITA** was EUR 16.1 million (EUR 19.2 million) and 6.8% (7.8%) of revenue. During the report period PPA depreciation and amortisation totalled EUR 2.8 million (EUR 4.0 million).
- Operating profit before non-recurring items was EUR 13.3 million (EUR 15.2 million) and 5.6% (6.2%) of revenue.
- Diluted earnings per share were EUR 0.28 (EUR 0.46).
- Cash flow after investments was EUR 1.1 million (EUR 5.2 million).

JANUARY - JUNE 2013 HIGHLIGHTS

- Revenue decreased 5.4% on the comparison period (1-6/2012), totalling EUR 460.3 million (EUR 486.8 million).
- EBITDA before non-recurring items was EUR 39.4 million (EUR 43.2 million) and 8.6% (8.9%) of revenue.
- EBITA** was EUR 30.3 million (EUR 35.3 million) and 6.6% (7.3%) of revenue. During the report period PPA depreciation and amortisation totalled EUR 5.7 million (EUR 7.1 million).
- Operating profit before non-recurring items was EUR 24.6 million (EUR 28.2 million) and 5.3% (5.8%) of revenue.
- Diluted earnings per share were EUR 0.42 (EUR 0.78).
- Cash flow after investments was EUR 1.3 million (EUR 28.3 million).

REVENUE AND OPERATING PROFIT ESTIMATES FOR 2013

- PKC Group's outlook: PKC Group estimates its full year 2013 revenue to be lower than in 2012 and estimates its comparable operating profit excluding non-recurring items not to reach 2012 level. In 2012 PKC's revenue was EUR 928.2 million and comparable operating profit excluding non-recurring items was EUR 51.5 million.

KEY FIGURES	4-6/13	4-6/12	Change %	1-6/13	1-6/12	Change %	1-12/12
EUR 1,000 (unless otherwise noted)							
Revenue	235,099	244,804	-4.0	460,261	486,771	-5.4	928,178
EBITDA*	20,597	22,883	-10.0	39,365	43,238	-9.0	82,954
% of revenue	8.8	9.3		8.6	8.9		8.9
EBITA**	16,068	19,162	-16.1	30,302	35,314	-14.2	65,358
% of revenue	6.8	7.8		6.6	7.3		7.0
Operating profit*	13,261	15,195	-12.7	24,576	28,191	-12.8	51,478
% of revenue	5.6	6.2		5.3	5.8		5.5
Non-recurring items	1,265	1,018	24.3	6,654	1,279	420.3	8,027
Operating profit	11,996	14,177	-15.4	17,923	26,912	-33.4	43,451
% of revenue	5.1	5.8		3.9	5.5		4.7
Profit before taxes	9,368	13,991	-33.0	14,078	24,464	-42.5	34,946
Net profit for the report period	6,042	9,731	-37.9	9,151	16,626	-45.0	23,999
Earnings per share (EPS), EUR	0.28	0.46	-39.1	0.42	0.78	-46.2	1.12
Cash flow after investments	1,109	5,206	-78.7	1,313	28,305	-95.4	63,673
ROI, %				18.0	23.0		16.7
Gearing, %				45.2	57.9		34.4
Average number of personnel	19,553	20,998	-6.9	19,544	21,478	-9.0	20,590

* before non-recurring items

** operating profit before PPA depreciation and amortisation and non-recurring items

MATTI HYYTIÄINEN, PRESIDENT & CEO:

“PKC’s business continued to develop steadily during the second quarter. Revenue increased by 4% and operating profit before non-recurring items improved by 17% on the previous quarter to EUR 13.3 million. Operating profit before non-recurring items increased in both segments, although the losses at the Brazilian unit continued to burden the profitability of Wiring Systems business.

Truck production volumes in the second quarter grew substantially in North America and Brazil in comparison to the previous quarter. Although growth in North America was significant, the actual production volumes fell short of the comparison period of the previous year. The production volumes achieved in Europe were slightly higher than in the previous quarter, but they still fell short of the comparison period of last year. Some signs of recovery in the truck business are evident in Europe, which is why the production volume forecasts for the entire year have been revised upwards. It must be remembered, however, that the entire year’s production of heavy- and medium-duty trucks in Europe and, in North America, of heavy-duty trucks is expected to fall short of last year’s level. In Brazil, production volumes are forecasted to remain at the current level until the end of the year.

Marketing work in Wiring Systems continued actively, and during the period we organised several PKC Technology Days for existing and new customers. Relocations of production in Wiring Systems were implemented, and shutdowns of the Ukrainian and Irish factories continued as planned. Russian production in the Electronics business was terminated and relocated to China.

During the period, at an international exhibition in Shanghai the Electronics business unveiled the first testers from the new Chameleon product family, which are designed for the testing of mobile devices and other electronic equipment that uses touch-screen technology. This cost-effective and smart solution has aroused the interest of customers.

Our customers have been satisfied with PKC's high-quality operations, which is why I would like to thank our personnel, who have done excellent work for our customers.

We shall actively continue with PKC's long-term development, making every effort to take corrective actions where needed and to utilise the market's growth potential to the full."

OPERATING ENVIRONMENT

Wiring Systems Business

- Vehicles, Europe

The 2013 second quarter production of heavy duty trucks in Europe was 70,000 units, which is 2% more than in the previous quarter. Compared to the same period in 2012 (79,000 units) the production declined by some 10%.

The 2013 second quarter production of medium duty trucks was 17,000 units which was over 9% less than in the same period in 2012 (18,000 units), but about 3% more than the actual production of the previous quarter (16,000 units).

- Vehicles, North America

NAFTA 2013 second quarter production of heavy duty trucks (class 8) was 67,000 units, up over 21% from the previous quarter's 55,000 units. Compared to year 2012 comparison period the production was down about 15% from 78,000 units.

The second quarter medium duty truck production was at the same level as during year 2012 comparison period. The production increased more than 11% compared to year 2013 first quarters' 45,000 units being 50,000 units in the second quarter.

Light vehicle production of 2,060,000 units in the second quarter was over 4% more than in the previous quarter. Compared to year 2012 comparison period there was an increase of about 7%.

- Vehicles, Brazil

In Brazil, the second quarter heavy truck production was 30,000 units, with an increase of over 11% from the previous quarter's volume of 27,000 units. Compared to year 2012 comparison period (24,000 units) there was an increase of about 26%.

The second quarter production of medium duty trucks was 14,000 units, which increased about 43% from the previous quarter's volume of 9,500 units. Compared to the same period in 2012 (7,500 units) there was an increase of 82%.

Electronics Business

Despite the industrial investment cautiousness of companies, the demand for industrial electronics appliances remained unchanged during the second quarter. In the telecommunications sector there was an increase in the demand for products. Also demand of renewable-energy and energy saving products including smart grid solutions on the market continued to increase slightly.

REVENUE AND FINANCIAL PERFORMANCE

April-June 2013

Revenue in April-June amounted to EUR 235.1 million (EUR 244.8 million), down 4.0% on the same period a year earlier. During the report period EUR 1.3 million (EUR 1.0 million) in non-recurring items were

recognised. Non-cash non-recurring items were EUR 0.0 million (EUR 0.0 million). Non-recurring items are mainly related to Electronics' reorganisation in Russia and Finland and Wiring Systems' reorganisation in Brazil. During the quarter, Electronics' operations in Russia were closed. Operating profit before non-recurring items, PPA depreciation and amortisation related to acquisitions totalled EUR 16.1 million (EUR 19.2 million), accounting for 6.8% of revenue (7.8%). Operating profit totalled EUR 12.0 million (EUR 14.2 million), accounting for 5.1% of revenue (5.8%). Operating profit continued to be burdened by the losses of the Brazilian unit. Measures to improve profitability in Brazil are being intensified. The increase in the processing costs due to stronger Mexican peso against the US dollar was more or less compensated in the second quarter by the decreased copper price. Total depreciation and amortisation amounted to EUR 7.3 million (EUR 7.7 million), including EUR 0.0 million of non-recurring items (EUR 0.0 million). PPA depreciation and amortisation (PPA) amounted to EUR 2.8 million (EUR 4.0 million). Financial items were EUR 2.6 million negative (EUR 0.2 million negative). Financial items include foreign exchange differences totalling EUR 1.3 million negative which are mainly related to Brazilian real and Mexican peso. Profit before taxes was EUR 9.4 million (EUR 14.0 million). Income tax of the report period amounted to EUR 3.3 million (EUR 4.3 million). Net profit for the report period totalled EUR 6.0 million (EUR 9.7 million). Diluted earnings per share were EUR 0.28 (EUR 0.46).

Revenue generated by the Wiring Systems business in the report period amounted to EUR 217.2 million (EUR 226.8 million), or 4.3% less than in the comparison period. The segment's share of the consolidated revenue was 92.4% (92.7%). Revenue decreased due to lower North American and European truck market production volumes. During the report period EUR 0.4 million (EUR 1.0 million) in non-recurring items were recognised and they are mainly related to reorganisation in Brazil. Non-cash non-recurring items were EUR 0.0 million (EUR 0.0 million). Operating profit before non-recurring items was EUR 13.3 million (EUR 15.4 million), equivalent to 6.1% of the segment's revenue (6.8%). Operating profit was EUR 12.9 million (EUR 14.4 million), equivalent to 6.0% of the segment's revenue (6.3%). The increase in the processing costs due to stronger Mexican peso against the US dollar was more or less compensated in the second quarter by the decreased copper price. The relative profitability was still weakened due to the losses of the Brazilian unit. Measures to improve profitability in Brazil are being intensified.

Revenue generated by the Electronics business decreased by 0.2% to EUR 17.9 million (EUR 18.0 million). The segment's share of the consolidated revenue was 7.6% (7.3%). During the report period EUR 0.1 million gain (EUR 0.0 million) in non-recurring items were recognised. The gross non-recurring expenses of EUR 0.9 million related to reorganisation in Finland and Russia were compensated by non-recurring intra-group reorganisation gain of EUR 1.0 million. Operating profit before non-recurring items was EUR 1.7 million (EUR 0.7 million), equivalent to 9.1% of the segment's revenue (3.7%). Operating profit was EUR 1.8 million (EUR 0.7 million), equivalent to 10.1% of the segment's revenue (3.7%). The improved profitability was due to higher sales and on-going actions to improve cost competitiveness.

January-June 2013

Revenue in January-June amounted to EUR 460.3 million (EUR 486.8 million), down 5.4% on the same period a year earlier. During the report period EUR 6.7 million (EUR 1.3 million) in non-recurring items were recognised. Non-cash non-recurring items were EUR 2.3 million (EUR 0.0 million). Non-recurring items are mainly related to Ireland (EUR 4.4 million) and Ukraine (EUR 0.8 million) closures and Electronics reorganisation in Finland and Russia (EUR 1.1 million). Operating profit before non-recurring items, PPA depreciation and amortisation related to acquisitions totalled EUR 30.3 million (EUR 35.3 million), accounting for 6.6% of revenue (7.3%). Operating profit totalled EUR 17.9 million (EUR 26.9 million), accounting for 3.9% of revenue (5.5%). Operating profit continued to be burdened by the losses of the Brazilian unit. Measures to improve profitability in Brazil are being intensified. In addition, customers' high order volatility during the beginning of the period had a negative impact on profitability. The increase in the processing costs due to stronger Mexican peso against the US dollar was more or less compensated in the second quarter by the decreased copper price. Total depreciation and amortisation amounted to EUR 17.0 million (EUR 15.0 million), including EUR 2.3 million of non-recurring items (EUR 0.0 million). PPA depreciation and amortisation (PPA) amounted to EUR 5.7 million (EUR 7.1 million). Financial items were EUR 3.8 million negative (EUR 2.4 million negative). Financial items include foreign exchange differences totalling EUR 1.2 million negative which are mainly related to Brazilian real and Mexican peso. Profit before taxes was EUR 14.1 million (EUR 24.5 million). Income tax of the report period amounted to EUR 4.9 million (EUR 7.8 million).

million). Net profit for the report period totalled EUR 9.2 million (EUR 16.6 million). Diluted earnings per share were EUR 0.42 (EUR 0.78).

Revenue generated by the Wiring Systems business in the report period amounted to EUR 425.6 million (EUR 453.4 million), or 6.1% less than in the comparison period. The segment's share of the consolidated revenue was 92.5% (93.2%). Revenue decreased due to lower North American and European truck market production volumes. During the report period EUR 5.6 million (EUR 1.1 million) in non-recurring items were recognised. Non-recurring items are mainly related to Ireland (EUR 4.4 million) and Ukraine (EUR 0.8 million) closures. Non-cash non-recurring items were EUR 2.3 million (EUR 0.0 million). Operating profit before non-recurring items was EUR 25.0 million (EUR 30.6 million), equivalent to 5.9% of the segment's revenue (6.7%). Operating profit was EUR 19.4 million (EUR 29.4 million), equivalent to 4.6% of the segment's revenue (6.5%). Customers' high order volatility had a negative impact on profitability during the beginning of the year. The increase in the processing costs due to stronger Mexican peso against the US dollar was more or less compensated in the second quarter by the decreased copper price. The relative profitability was still weakened due to the losses of the Brazilian unit. Measures to improve profitability in Brazil are being intensified.

Revenue generated by the Electronics business increased by 4.0% to EUR 34.7 million (EUR 33.3 million). The segment's share of the consolidated revenue was 7.5% (6.8%). During the report period EUR 0.2 million gain (EUR 0.1 million) in non-recurring items were recognised. The gross non-recurring expenses of EUR 1.1 million related to reorganisation in Finland and Russia were compensated by non-recurring intra-group reorganisation gains of EUR 1.2 million. Operating profit before non-recurring items was EUR 2.7 million (EUR 0.2 million negative), equivalent to 7.7% of the segment's revenue (-0.6%). Operating profit was EUR 2.9 million (EUR 0.3 million negative), equivalent to 8.4% of the segment's revenue (-1.0%). The improved profitability was due to higher sales and on-going actions to improve cost competitiveness.

FINANCIAL POSITION AND CASH FLOW

Consolidated total assets at 30 June 2013 amounted to EUR 449.0 million (EUR 516.6 million). Total assets were decreased by EUR 21 million due to a settlement of non-current receivables and related non-current liabilities arisen from business acquisition. Interest-bearing liabilities totalled EUR 129.6 million at the close of the report period (EUR 155.1 million). The Group's equity ratio was 34.5% (31.2%). Net liabilities totalled EUR 69.8 million (EUR 93.4 million) and gearing was 45.2% (57.9%).

Inventories amounted to EUR 87.8 million (EUR 97.6 million). Current receivables totalled EUR 130.3 million (EUR 139.8 million). Net cash from operating activities was EUR 8.3 million (EUR 35.3 million) and cash flow after investments during the report period was EUR 1.1 million (EUR 28.3 million). Cash flow was negatively impacted due to higher net working capital which continued to increase in relation to higher sales in the quarter. Cash and cash equivalents amounted to EUR 59.8 million (EUR 61.6 million).

CAPITAL EXPENDITURE

During the report period, the Group's gross capital expenditure totalled EUR 6.8 million (EUR 10.1 million), representing 1.5% of revenue (2.1%). The capital expenditure consisted mainly of production machinery and equipment during the report period.

RESEARCH & DEVELOPMENT

Research and development costs totalled EUR 4.3 million (EUR 4.1 million), representing 0.9% (0.8%) of the consolidated revenue. At the end of the report period, 161 (163) people worked in product development, excluding production development and process development personnel.

PERSONNEL

During the report period, the Group had an average payroll of 19,544 employees (21,478). At the end of the report period, the Group's personnel numbered 19,311 employees (20,602), of whom 18,999 (20,240) worked abroad and 312 (362) in Finland. In addition the Group had at the end of the report period 618

temporary employees.

QUALITY AND THE ENVIRONMENT

All of the Group's factories are certified in accordance with requirements of the ISO/TS16949 quality standard for the automotive industry excluding factory in Traverse City (USA), which is certified in accordance with requirements of ISO9001 standard. In addition all of the Group's factories, except factories in Campo Alegre (Brazil) and Sao Bento do Sul (Brazil), are certified in accordance with the ISO14001 environmental standard and all factories operate in accordance with the ISO9001 quality standard. Production units in Itajuba (Brazil), Raahe (Finland) and Suzhou (China) have also certification in accordance with the OHSAS18001 occupational health and safety management system standard.

Preparations to certify Campo Alegre (Brazil) and recertify Curitiba (Brazil) factories according to ISO14001 environmental standard are on-going. The certification in accordance with ISO14001 is planned to be completed during Q4/2013. In Acuna, Juarez, Piedras Negras and Torreon (Mexico) preparations to certify operations according to OHSAS18001 occupational health and safety management system standard are on-going. The certification in accordance with OHSAS18001 standard in Acuna, Juarez, Piedras Negras and Torreon (Mexico) is planned to be completed during Q3/2013. The certification in accordance with OHSAS18001 standard in Keila and Haapsalu (Estonia) has been completed after the reporting period.

MANAGEMENT

The Annual General Meeting held on 4 April 2013, re-elected Outi Lampela, Shemaya Levy, Robert Remenar, Harri Suutari, Matti Ruotsala and Jyrki Tähtinen as Board members and elected Wolfgang Diez as new Board member. In the Board's organisation meeting, Matti Ruotsala was elected as Chairman of the Board with Robert Remenar as Vice-Chairman.

Shemaya Levy was elected as the chairman of the Audit Committee and Wolfgang Diez, Outi Lampela and Jyrki Tähtinen as members. The Board elected Matti Ruotsala as chairman of the Nomination and Remuneration Committee and Robert Remenar and Harri Suutari as members.

KPMG Oy Ab, which has announced Virpi Halonen, APA, to be the Auditor with principal responsibility, was selected as auditor.

At the end of the report period the Group's Executive Board consisted of the following persons Matti Hyytiäinen, Chairman (President & CEO), Jyrki Keronen (Senior Vice President, Business Development & APAC), Jani Kiljala (President, Wiring Systems, Europe), Pekka Korkala (President, Wiring Systems, South America), Sanna Raatikainen (General Counsel), Jarmo Rajala (President, Electronics), Frank Sovis (President, Wiring Systems, North America) and Juha Tornainen (CFO).

DIVIDEND FOR 2012

The Annual General Meeting held on 4 April 2013 resolved to pay a dividend of EUR 0.70 per share: i.e. a total of about EUR 15.1 million. The dividend was paid out on 16 April 2013.

SHARE TURNOVER AND SHAREHOLDERS

PKC Group Plc's share turnover on NASDAQ OMX Helsinki Ltd from 1 January to 30 June 2013 was 4,128,803 shares (6,080,112 shares), representing 19.1% of the average number of shares (28.8%). Shares were traded to a total value of EUR 73.1 million (EUR 91.0 million). PKC's shares are also traded on alternative exchanges (Chi-X and BATS). The total trading volume on these alternative exchanges was 178,754 shares (246,876 shares) during the report period. On the Nasdaq OMX Helsinki Ltd the lowest share value during the report period was EUR 15.00 (EUR 10.65) and the highest EUR 20.69 (EUR 18.30). The closing price on the last trading day of the report period was EUR 18.27 (EUR 12.13) and the average price during the report period was EUR 17.71 (EUR 14.97). The company's market capitalisation at 30 June 2013 was EUR 395.6 million (EUR 260.6 million).

The shares held by Board members, their closely associated persons and corporations in which they have a controlling interest accounted for 0.6% (1.5%) of the total number of shares at the end of the report period. PKC Group Plc had a total of 7,750 shareholders (8,976) at the end of the report period. The shares held by foreigners and through nominee registrations at the close of the report period totalled 26.0% of the share capital (26.0%).

SHARES AND SHARE CAPITAL

PKC Group Plc's shares and share capital has changed during the report period as follows:

- A total of 31,705 PKC Group Plc's shares have been subscribed for with 2006C options, and the corresponding increase in the share capital is EUR 10,779.70. A total of 17,950 PKC Group Plc's shares have been subscribed for with 2009A options. New shares and increase in share capital corresponding to subscriptions have been entered into the Trade Register on 31 January 2013. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 1 February 2013. After the increase the Company's registered share capital was EUR 6,201,845.46, divided into 21,574,097 shares.
- A total of 24,100 PKC Group Plc's shares have been subscribed for with 2006C options, and the corresponding increase in the share capital is EUR 8,194.00. A total of 4,500 PKC Group Plc's shares have been subscribed for with 2009A options. New shares and increase in share capital corresponding to subscriptions have been entered into the Trade Register on 3 April 2013. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 4 April 2013. After the increase the Company's registered share capital was EUR 6,210,039.46, divided into 21,602,697 shares.
- A total of 24,675 PKC Group Plc's shares have been subscribed for with 2006C options, and the corresponding increase in the share capital is EUR 8,389.50. A total of 5,250 PKC Group Plc's shares have been subscribed for with 2009A options and a total of 21,900 KC Group Plc's shares have been subscribed for with 2009B options. New shares and increase in share capital corresponding to subscriptions have been entered into the Trade Register on 14 May 2013. The new shares were traded on the main list of the NASDAQ OMX Helsinki Ltd together with the old shares as of 15 May 2013. After the increase the Company's registered share capital was EUR 6,218,428.96, divided into 21,654,522 shares.

THE BOARD'S AUTHORISATIONS

The Board of Directors was granted authorisation by the Annual General Meeting on 30 March 2011 to decide on share issue and granting of special rights defined in Chapter 10, Section 1 of the Companies Act and all the terms and conditions thereof. A maximum total of 6,000,000 shares may be issued or subscribed for on the basis of authorisation. The authorisation includes the right to decide on directed share issue. The authorisation is in force for five years from the date of the General Meeting's decision. At Board of Directors' discretion the authorisation may be used e.g. in financing possible corporate acquisitions, inter-company co-operation or similar arrangement, or strengthening company's financial or capital structure etc. PKC Group Plc's Board of Directors has, on the basis of the authorisation granted by the shareholders' meeting on 30 March 2011, resolved on a directed share issue without payment of 1,250,000 new shares to company's wholly owned subsidiary PKC Group USA Inc for the payment of the purchase price for the shares in the AEEs-companies. After this share issue, a maximum total of 4,750,000 shares may be issued or subscribed for on the basis of authorisation.

The Board of Directors does not possess a valid authorisation to acquire company's own shares, and the company does not have any own shares (treasury shares) in its possession.

STOCK OPTION SCHEMES

2006 options

The key personnel stock option scheme initiated in 2006, comprises a total of 697,500 options divided into A, B and C warrants.

The share subscription period for 2006A warrants has ended 30 April 2011. During the share subscription period a total 200,300 shares were subscribed and 2,200 warrants remained unused. The share subscription period for 2006B warrants has ended 30 April 2012 and no warrants remained unused. The share subscription period for 2006C warrants has ended 30 April 2013. During the share subscription period a total 260,850 shares were subscribed and 1,650 warrants remained unused.

2009 options

The key personnel stock option scheme initiated in 2009 comprises a total of 600,000 options divided into A, B and C warrants. At the close of the report period, the outstanding options and options held by key personnel totals 58,050 2009A, 158,222 2009B and 175,000 2009C warrants, in addition to which 400 shares had been subscribed for with 2009B warrants but the share subscription hadn't been registered at the close of the report period.

The subscription price for shares through the exercise of the 2009 stock options is the volume-weighted average price of the PKC Group Plc share on NASDAQ OMX Helsinki for April 2009, 2010 and 2011 + 20% with dividend adjustments, (at present, EUR 1.60 for the 2009A warrants, EUR 11.41 for the 2009B warrants and EUR 17.28 for the 2009C warrants). The subscription price for shares will be recorded in the invested non-restricted equity fund. The stock options entitle their owners to subscribe for a maximum total of 600,000 new shares in the company or existing shares held by the company. After the registration of subscription made on 14 May 2013, the Company's share capital can increase by a maximum of 440,650 shares as a result of the exercise of the remaining outstanding option rights. The share subscription period for 2009A warrants is 1 April 2012 — 30 April 2014, for 2009B warrants 1 April 2013 — 30 April 2015 and for 2009C warrants 1 April 2014 — 30 April 2016.

2012 options

The key personnel stock option scheme initiated in 2012 comprises a total of 1,020,000 options. The stock options are marked with the symbol 2012A(i) and 2012A(ii); 2012B(i) and 2012B(ii); as well as 2012C(i) and 2012C(ii). A total of 170,000 stock options are included in each stock option class. At the close of the report period, the outstanding options and options held by key personnel totals 170,000 2012A(i) warrants, in addition to which 170,000 2012A(ii) warrants have been initially allocated to key personnel. In addition, 165,000 2012B(i) warrants had been distributed to key personnel at the end of the report period even though the options hadn't been registered in the recipients' book entry accounts. Also 165,000 2012B(ii) warrants have been initially allocated to key personnel.

The subscription price for shares through the exercise of the 2012 stock options is the volume-weighted average price of the PKC Group Plc share on NASDAQ OMX Helsinki Ltd during first quarter in 2012, 2013 and 2014. The share subscription price is EUR 15.31 with the 2012A options and EUR 16.65 with the 2012B options. The subscription price for shares will be recorded in the invested non-restricted equity fund. The stock options entitle their owners to subscribe for a maximum total of 1,020,000 new shares in the company or existing shares held by the company. The share subscription period for stock options 2012A, will be 1 April 2015—30 April 2017, for stock options 2012B, 1 April 2016—30 April 2018, and for stock options 2012C, 1 April 2017—30 April 2019. The share subscription period for stock options 2012A(ii), 2012B(ii) and 2012C(ii) shall, however, not commence, unless certain operational or financial targets of the Group established for the exercise of stock options and determined by the Board of Directors have been attained. The Board of Directors shall annually decide on targets separately for each stock option class in connection with the distribution of stock options. Those stock options, for which the targets determined by the Board of Directors have not been attained, shall expire in the manner decided by the Board of Directors.

CORPORATE RESPONSIBILITY

Corporate responsibility is a key element in PKC's operations. PKC operates with ethical business practice, takes responsibility for the operating environment and strives to minimize any harm caused to the environment, and respects and promotes human rights and fair workplace practices, equal opportunities, and zero-tolerance policy on bribery and corruption. PKC Group's Board of Directors has ratified the Code of

Conduct covering the whole group. The Code of Conduct sets principles for ethical business practice and is based on the highest ethical standards. Compliance with legislation, regulations and international norms is a fundamental requirement, from which it is not possible to deviate in any circumstances.

PKC's Corporate Responsibility report for 2012 was published on 13 March 2013.

STRATEGIC OBJECTIVES

Strategic objectives have been announced in the capital market day held 3 April 2013.

PKC is a global partner, designing, manufacturing and integrating electrical distribution systems for the commercial vehicle industry and other selected segments. PKC is seeking growth within its current Commercial Vehicle markets and customers as well as in the growing markets of Asia. In addition, PKC is studying growth opportunities in expanding its business further within Transportation Industry. This is a segment where PKC can further utilize its unique knowhow as a global supplier of electrical distribution systems.

The long-term financial targets of PKC Group Plc is to reach EUR 1.4 billion revenue by 2018 and over 10% EBITDA, while maintaining gearing below 75%. The targeted dividend payout is 30 - 60% of the cash flow after investments.

SHORT-TERM RISKS AND UNCERTAINTIES

The public deficit and high indebtedness of many European countries and also the United States have weakened economic growth, end-customer demand and availability of financing for investment goods. In Brazil inflation and economic uncertainty have increased. This increases uncertainty in the markets and might be reflected in longer than expected customer production shut-downs, in reduced daily production volumes or higher order volatility.

Weakening of the USD against the Mexican peso as well as the weakening of the euro against the Polish zloty and the Russian rouble may increase PKC's processing costs. Strengthening of the euro against the Brazilian real may increase PKC's material costs.

A significant increase in copper price may weaken PKC Group's profit in short term. The customer prices are updated on average with 5 month delay on the basis of copper price changes.

PKC Group Plc has been subject to a tax audit in 2011 related to the year 2009 reorganisation of Wiring Systems business PKC has given its final response during the report period and the tax reassessment decision from Finnish tax administration is pending. Based on the tax audit report regarding the same, there is interpretation difference between PKC and the tax authorities, which can result in tax reassessment decision and obligation to pay additional taxes and related payments. In the opinion of the management of PKC the taxes have been reported and levied properly.

MARKET OUTLOOK

European heavy and medium truck production in 2013 is estimated to decrease by about 6% compared to 2012. The overall economic uncertainty is estimated to keep the commercial vehicle demand in Europe at a lower level. However, the production volumes are estimated to increase due to transition to Euro 6 emission standard in the last quarter.

North American heavy duty truck production is estimated to decrease by 6%, medium duty truck production to increase 7% and light vehicle production to increase by 5% from 2012 level. It is estimated that the production volumes of heavy trucks will increase gradually throughout the second half of the year.

Brazilian heavy duty truck production is estimated to increase by 21% and medium duty truck production by 54% compared to 2012. The governmental incentive program to support the purchase of new trucks is

currently valid until the end of 2013.

PKC's market outlook is further impacted by some light vehicle and component programs that are near end-of-life-cycle and will be ramped-down in 2013.

The demand of industrial electronic appliances is estimated to remain at the previous level. Volumes of renewable-energy and energy saving products including smart grid solutions are likely to increase. Also the demand in telecommunications sector is expected to increase slightly.

PKC GROUP'S OUTLOOK

PKC Group estimates its full year 2013 revenue to be lower than in 2012 and estimates its comparable operating profit excluding non-recurring items not to reach 2012 level. In 2012 PKC's revenue was EUR 928.2 million and comparable operating profit excluding non-recurring items was EUR 51.5 million.

FINANCIAL REPORTS IN 2013

In 2013, the Interim Reports will be published as follows:

Interim Report 1-9/2013 Thursday, October 31, 2013 at about 8.15 a.m.

The text section of this release focuses on the interim report. Comparisons have been made to the figures of the corresponding period in 2012, unless otherwise mentioned. The figures presented in the tables are independently rounded figures.

TABLES

This interim report has been prepared in accordance with IAS 34 (Interim Financial Reporting) standard. The interim report has been prepared in accordance with the same principles as the annual financial statements for 2012. The year 2013 IFRS standard changes have no significant effect on the interim report. Amendments to IAS 1 Presentation of Financial Statements, where the main change is the requirement for separate subtotals in other comprehensive income have effect on the presentation of items in other comprehensive income. Amendments to IFRS 13 Fair Value Measurement and IFRS 7 Financial Instruments have had effect mainly to the presentation of interim report. The figures in the interim report are unaudited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)	4-6/13 3 mon.	4-6/12 3 mon.	1-6/13 6 mon.	1-6/12 6 mon.	1-12/12 12 mon.
Revenue	235,099	244,804	460,261	486,771	928,178
Other operating income	512	331	787	661	2,193
Increase (+) / decrease (-) in stocks of finished goods and work in progress	-805	-1,772	-2,770	-2,505	-839
Production for own use	53	39	103	60	207
Materials and services	140,563	149,583	275,439	297,273	564,482
Employee benefit expenses	52,155	50,888	103,996	101,283	203,221
Depreciation, amortisation and impairment loss on goodwill	7,311	7,688	17,040	15,048	32,584
Other operating expenses	22,834	21,065	43,984	44,471	86,000
Operating profit	11,996	14,177	17,923	26,912	43,451
Interest and financial expenses	-1,365	-1,492	-2,661	-3,139	-6,213
Interest and financial income	19	1,337	41	723	335
Foreign currency exchange differences, net	-1,282	-32	-1,225	-32	-2,627
Profit before taxes	9,368	13,991	14,078	24,464	34,946
Income taxes	-3,326	-4,260	-4,927	-7,839	-10,947
Profit for the report period	6,042	9,731	9,151	16,626	23,999
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Interest derivatives	158	-193	339	-401	-970
Foreign currency translation differences - foreign operations	-10,979	1,186	-5,607	4,800	-2,190
Tax effects relating to components of other comprehensive income	-38	0	-82	0	238
Total comprehensive income for the period	-4,817	10,724	3,800	21,025	21,076
Attributable to equity holders of the parent company					
Basic earnings per share (EPS), EUR	0.28	0.46	0.42	0.79	1.13
Diluted earnings per share (EPS), EUR	0.28	0.46	0.42	0.78	1.12

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)	6/13	6/12	12/12
ASSETS			
Non-current assets			
Goodwill	29,016	30,527	30,627
Other intangible assets	39,536	49,070	43,234
Property, plant and equipment	87,913	101,729	94,307
Deferred tax assets	13,410	12,957	11,272
Receivables	1,319	23,302	25,058
Total non-current assets	171,194	217,584	204,499
Current assets			
Inventories	87,754	97,586	87,481
Receivables			
Trade receivables	112,919	112,721	84,604
Other receivables	15,794	22,440	19,356
Current tax assets	1,564	4,606	1,897
Total receivables	130,276	139,766	105,857
Cash and cash equivalents	59,758	61,636	87,222
Total current assets	277,788	298,988	280,560
Total assets	448,982	516,573	485,059
EQUITY AND LIABILITIES			
Equity			
Share capital	6,218	6,191	6,191
Share premium account	11,343	10,605	10,606
Invested non-restricted equity fund	36,212	34,013	35,376
Translation difference	-1,366	10,700	4,582
Fair value reserve	-475	-865	-732
Share-based payments	3,390	2,676	2,975
Retained earnings	90,167	81,407	81,533
Profit for the report period	9,151	16,626	23,999
Total equity	154,640	161,353	164,530
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	67,958	140,942	74,595
Non-interest-bearing liabilities	5,236	26,809	27,196
Provisions	895	885	1,301
Deferred tax liabilities	23,807	32,007	27,617
Total non-current liabilities	97,897	200,643	130,709
Current liabilities			
Interest-bearing liabilities	61,642	14,120	69,190
Trade payables	90,809	91,342	75,510
Other non-interest-bearing liabilities	43,676	44,659	45,025
Current tax liabilities	318	4,456	96
Total current liabilities	196,445	154,577	189,820
Total liabilities	294,342	355,220	320,529
Total equity and liabilities	448,982	516,573	485,059

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)	4-6/13 3 mon.	4-6/12 3 mon.	1-6/13 6 mon.	1-6/12 6 mon.	1-12/12 12 mon.
Cash flows from operating activities					
Cash receipts from customers	222,792	214,779	423,364	478,124	949,400
Cash receipts from other operating income	351	235	99	351	3,246
Cash paid to suppliers and employees	-214,063	-186,903	-405,381	-433,713	-851,334
Cash flows from operations before financial income and expenses and taxes	9,080	28,110	18,083	44,762	101,311
Interest paid and other financial expenses	-911	-1,360	-4,083	-3,004	-5,635
Translation difference	1,067	1,244	1,693	1,448	1,033
Interest received	20	44	41	91	335
Income taxes paid	-4,433	-18,671	-7,419	-8,027	-21,057
Net cash from operating activities (A)	4,823	9,368	8,315	35,271	75,988
Cash flows from investing activities					
Acquisition of property, plant and equipment and intangible assets	-3,864	-6,103	-7,209	-9,454	-16,317
Proceeds from sale of property, plant and equipment and intangible assets	150	1,843	206	2,077	3,490
Proceeds from repayments of borrowings	0	98	0	411	514
Net cash used in investment activities (B)	-3,714	-4,162	-7,002	-6,965	-12,313
Cash flows after investments	1,109	5,206	1,313	28,305	63,673
Cash flows from financing activities					
Drawing of long-term borrowings	0	-71	0	0	0
Drawing of short-term borrowings	0	41	0	5,041	5,090
Share issue	435	667	985	2,590	2,687
Repayment of short-term/long-term borrowings	-4	-7,850	-14,502	-14,549	-23,642
Dividends paid	-15,122	-12,814	-15,122	-12,814	-12,814
Net cash used in financing activities (C)	-14,691	-20,028	-28,638	-19,733	-28,678
Net increase (+) or decrease (-) in cash and equivalents (A+B+C)	-13,582	-14,821	-27,325	8,572	34,996
Cash and cash equivalents in the beginning of the period	74,261	74,940	87,222	52,280	52,280
Effect of exchange rate fluctuations	-921	1,517	-138	784	-54
Cash and cash equivalents in the end of the period	59,758	61,636	59,758	61,636	87,222

KEY FINANCIAL INDICATORS	1-6/13 6 mon.	1-6/12 6 mon.	1-12/12 12 mon.
Revenue, EUR 1,000	460,261	486,771	928,178
Operating profit, EUR 1,000	17,923	26,912	43,451
% of revenue	3.9	5.5	4.7
Profit before taxes, EUR 1,000	14,078	24,464	34,946
% of revenue	3.1	5.0	3.8
Net profit for the period, EUR 1,000	9,151	16,626	23,999
% of revenue	2.0	3.4	2.6
Return on equity (ROE), %	11.5	21.2	15.1
Return on investments (ROI), %	18.0	23.0	16.7
Net working capital, EUR 1,000	83,226	96,896	72,709
Net liabilities, EUR 1,000	69,842	93,426	56,563
Gearing, %	45.2	57.9	34.4
Equity ratio, %	34.5	31.2	33.9
Current ratio	1.4	1.9	1.5
Gross capital expenditure, EUR 1,000	6,828	10,132	16,023
% of revenue	1.5	2.1	1.7
R&D expenditures, EUR 1,000	4,279	4,079	7,992
% of revenue	0.9	0.8	0.9
Personnel average	19,544	21,478	20,590

PER-SHARE KEY INDICATORS	1-6/13 6 mon.	1-6/12 6 mon.	1-12/12 12 mon.
Earnings per share (EPS), EUR	0.42	0.79	1.13
Earnings per share (EPS), diluted, EUR	0.42	0.78	1.12
Equity per share, EUR	7.14	7.51	7.64
Cash flow per share, EUR	0.06	1.33	2.97
Share price at close of period, EUR	18.27	12.13	15.49
Lowest share price, EUR	15.00	10.65	10.65
Highest share price, EUR	20.69	18.30	18.30
Average share price, EUR	17.71	14.97	14.76
Turnover in shares, 1,000 shares	4,129	6,080	10,854
Turnover in shares per (share issue adjusted) share capital, %	19.1	28.8	51.0
Average number of shares, 1,000 shares	21,594	21,082	21,296
Average number of shares, diluted, 1,000 shares	21,738	21,310	21,462
Shares at end of period, 1,000 shares	21,655	21,482	21,524
Market capitalisation, EUR 1,000	395,628	260,580	333,414

1. SEGMENT INFORMATION

1.4.-30.6.2013 (EUR 1,000)

	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
External revenue	217,162	17,937	0	235,099
Internal revenue	184	786	-970	0
Total revenue	217,346	18,724	-970	235,099
EBITDA	20,201	2,104	-1,708	20,597
% of revenue	9.3	11.2		8.8
Depreciation, amortisation and impairments *)	4,072	398	59	4,529
EBITA	16,129	1,705	-1,766	16,068
% of revenue	7.4	9.1		6.8
PPA depreciation and amortisation	2,807	0	0	2,807
Operating profit before non-recurring items	13,322	1,705	-1,766	13,261
% of revenue	6.1	9.1		5.6
Non-recurring employee benefit expenses	341	733	0	1,074
Impairment and write-down of PPE and intangible assets	-25	0	0	-25
Other non-recurring income and expenses	61	-846	1,000	215
Total non-recurring items	377	-112	1,000	1,265
Operating profit	12,945	1,818	-2,767	11,996
% of revenue	6.0	10.1		5.1
Segment's assets	445,722	39,707	-49,856	435,572
Unallocated assets **)	0	0	13,410	13,410
Total assets	445,722	39,707	-36,446	448,982

*) excluding PPA depreciation and amortisation and non-recurring asset impairment and write-downs

**) Segment's assets do not include deferred taxes

1.4.-30.6.2012 (EUR 1,000)	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
External revenue	226,827	17,977	0	244,804
Internal revenue	122	31	-153	0
Total revenue	226,948	18,008	-153	244,804
EBITDA	22,301	1,197	-616	22,883
% of revenue	9.8	6.6		9.3
Depreciation, amortisation and impairments *)	2,952	533	235	3,721
EBITA	19,349	664	-851	19,162
% of revenue	8.5	3.7		7.8
PPA depreciation and amortisation	3,967	0	0	3,967
Operating profit before non-recurring items	15,382	664	-851	15,195
% of revenue	6.8	3.7		6.2
Non-recurring employee benefit expenses	1,018	0	0	1,018
Total non-recurring items	1,018	0	0	1,018
Operating profit	14,364	664	-851	14,177
% of revenue	6.3	3.7		5.8
Segment's assets	501,675	46,942	-45,064	503,553
Unallocated assets **)	0	0	13,020	13,020
Total assets	501,675	46,942	-32,044	516,573

*) excluding PPA depreciation and amortisation

***) Segment's assets do not include deferred taxes

1.1.-30.6.2013 (EUR 1,000)	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
External revenue	425,589	34,671	0	460,261
Internal revenue	298	1,070	-1,368	0
Total revenue	425,887	35,741	-1,368	460,261
EBITDA	38,748	3,579	-2,962	39,365
% of revenue	9.1	10.0		8.6
Depreciation, amortisation and impairments *)	7,987	839	236	9,062
EBITA	30,761	2,740	-3,199	30,302
% of revenue	7.2	7.7		6.6
PPA depreciation and amortisation	5,726	0	0	5,726
Operating profit before non-recurring items	25,035	2,740	-3,199	24,576
% of revenue	5.9	7.7		5.3
Non-recurring employee benefit expenses	2,927	831	0	3,758
Impairment and write-down of PPE and intangible assets	2,252	0	0	2,252
Other non-recurring income and expenses	421	-1,020	1,242	644
Total non-recurring items	5,600	-189	1,242	6,654
Operating profit	19,435	2,928	-4,441	17,923
% of revenue	4.6	8.4		3.9
Segment's assets	445,722	39,707	-49,856	435,572
Unallocated assets **)	0	0	13,410	13,410
Total assets	445,722	39,707	-36,446	448,982

*) excluding PPA depreciation and amortisation and non-recurring asset impairment and write-downs

***) Segment's assets do not include deferred taxes

1.1.-30.6.2012 (EUR 1,000)	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
External revenue	453,447	33,325	0	486,771
Internal revenue	278	54	-332	0
Total revenue	453,724	33,379	-332	486,771
EBITDA	44,121	868	-1,750	43,238
% of revenue	9.7	2.6		8.9
Depreciation, amortisation and impairments *)	6,445	1,071	408	7,925
EBITA	37,675	-203	-2,158	35,314
% of revenue	8.3	-0.6		7.3
PPA depreciation and amortisation	7,123	0	0	7,123
Operating profit before non-recurring items	30,553	-203	-2,158	28,191
% of revenue	6.7	-0.6		5.8
Non-recurring employee benefit expenses	1,143	136	0	1,279
Total non-recurring items	1,143	136	0	1,279
Operating profit	29,410	-339	-2,158	26,912
% of revenue	6.5	-1.0		5.5
Segment's assets	501,675	46,942	-45,064	503,553
Unallocated assets **)	0	0	13,020	13,020
Total assets	501,675	46,942	-32,044	516,573

*) excluding PPA depreciation and amortisation

***) Segment's assets do not include deferred taxes

1.1.-31.12.2012 (EUR 1,000)	Wiring Systems	Electronics	Unallocated amounts and eliminations	Group Total
External revenue	858,778	69,400	0	928,178
Internal revenue	516	203	-718	0
Total revenue	859,294	69,602	-718	928,178
EBITDA	81,893	4,167	-3,106	82,954
% of revenue	9.5	6.0		8.9
Depreciation, amortisation and impairments *)	14,517	2,030	1,049	17,596
EBITA	67,376	2,137	-4,155	65,358
% of revenue	7.8	3.1		7.0
PPA depreciation and amortisation	13,880	0	0	13,880
Operating profit before non-recurring items	53,496	2,137	-4,155	51,478
% of revenue	6.2	3.1		5.5
Non-recurring employee benefit expenses	5,329	331	231	5,892
Impairment and write-down of PPE and intangible assets	1,108	0	0	1,108
Advisor fees	0	66	0	66
Other non-recurring income and expenses	0	961	0	961
Total non-recurring items	6,438	1,359	231	8,027
Operating profit	47,058	778	-4,386	43,451
% of revenue	5.5	1.1		4.7
Segment's assets	456,103	42,390	-24,706	473,787
Unallocated assets **)	0	0	11,272	11,272
Total assets	456,103	42,390	-13,434	485,059

*) excluding PPA depreciation and amortisation and non-recurring asset impairment and write-downs

***) Segment's assets do not include deferred taxes

REVENUE BY GEOGRAPHICAL LOCATIONS (EUR 1,000)	4-6/13 3 mon.	4-6/12 3 mon.	1-6/13 6 mon.	1-6/12 6 mon.	1-12/12 12 mon.
Finland	15,522	16,038	30,163	29,029	60,401
Other Europe	58,072	59,019	112,513	117,066	218,358
North America	130,775	146,552	259,773	294,594	551,957
South America	23,826	17,877	46,381	36,236	76,105
Other countries	6,903	5,318	11,431	9,846	21,356
Total	235,099	244,804	460,261	486,771	928,178

2. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR MILLION)

A = Share Capital

B = Share premium account

C = Invested non-restricted equity fund

D = Fair value reserve

E = Translation difference

F = Retained earnings

G = Equity attributable to shareholders of the parent company

	A	B	C	D	E	F	G
Equity at 1.1.2012	6.1	8.3	35.6	-0.5	6.3	96.7	152.5
Dividends	0.0	0.0	0.0	0.0	0.0	-12.8	-12.8
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.3	0.3
Share issue, exercise of options	0.1	2.3	0.0	0.0	0.0	0.0	2.4
Comprehensive income for the period	0.0	0.0	0.4	-0.4	4.4	16.6	21.0
Other changes	0.0	0.0	-2.0	0.0	0.0	0.0	-2.0
Equity at 30.6.2012	6.2	10.6	34.0	-0.9	10.7	100.8	161.4
Equity at 1.1.2013	6.2	10.6	35.4	-0.7	4.6	108.5	164.5
Dividends	0.0	0.0	0.0	0.0	0.0	-15.1	-15.1
Share-based payments	0.0	0.0	0.0	0.0	0.0	0.4	0.4
Share issue, exercise of options	0.0	0.7	0.3	0.0	0.0	0.0	1.0
Comprehensive income for the period	0.0	0.0	0.5	0.2	-6.0	9.1	3.8
Equity at 30.6.2013	6.2	11.3	36.2	-0.5	-1.4	102.9	154.6

3. PROPERTY, PLANT AND EQUIPMENT (EUR 1,000) 6/13 6/12

Acquisition cost 1.1.	150,213	145,626
+/- Translation difference 1.1.	-1,119	2,831
+ Additions	6,569	6,966
+/- Other changes	2,428	0
- Disposals	-1,834	-1,152
Acquisition cost 30.6.	156,258	154,271
Accumulated depreciation 1.1.	55,906	32,414
+/- Translation difference 1.1.	-546	8,952
- Accumulated depreciation on disposals and reclassifications	-1,884	0
+/- Other changes	2,878	0
+ Depreciation and impairment	12,117	10,878
+/- Exchange difference	-127	298
Depreciation 30.6.	68,344	52,542
Carrying amount 30.6.	87,913	101,729

4. OTHER INTANGIBLE ASSETS (EUR 1,000)	6/13	6/12
Acquisition cost 1.1.	108,306	105,391
+/- Translation difference 1.1.	-613	-563
+ Additions	587	3,165
- Disposals	-37	0
+ Other changes	-125	0
Acquisition cost 30.6.	108,118	107,993
Accumulated depreciation 1.1.	34,444	25,478
+/- Translation difference 1.1.	72	-953
+ Depreciation	5,104	3,680
+/- Exchange difference	-53	192
Depreciation 30.6.	39,566	28,397
Carrying amount 30.6.	68,552	79,596

5. FAIR VALUES OF FINANCIAL INSTRUMENTS (EUR 1,000)

Set out below is a comparison of the carrying amounts and fair values of financial instruments as at 30 June 2013

As of June 30, 2013	Carrying amounts of balance sheet items	Fair values of balance sheet items
Non-current financial assets		
Other non-current financial assets	7	7
Total non-current financial assets	7	7
Total financial assets	7	7
Non-current financial liabilities		
Non-current interest-bearing liabilities	67,958	68,079
Total non-current financial liabilities	67,958	68,079
Current financial liabilities		
Current interest-bearing liabilities	61,642	63,071
Copper derivatives	697	697
Interest rate swaps	639	639
Currency derivatives	751	751
Total current financial liabilities	63,729	65,158
Total financial liabilities	131,687	133,237

The valuation of derivatives is based on market data (level 2 IFRS 7:27A).

The valuation of available-for-sale shares (7) is based on the acquisition cost (level 3, IFRS 7.27A) as the fair value of the shares cannot be determined reliably.

6. CONTINGENT LIABILITIES AT END OF PERIOD (EUR 1,000)	6/13	6/12	12/12
Leasing liabilities	20,239	23,937	23,640
Liabilities for derivative instruments			
Nominal values			
Interest rate swaps	31,026	40,991	36,009
Currency derivatives			
Forward contracts	26,599	16,063	5,121
Copper derivatives			
Forward contracts	6,113	8,257	4,564
Total	63,738	65,311	45,694
Fair values			
Interest rate swaps	-639	-885	-980
Currency derivatives			
Forward contracts	-751	7	12
Copper derivatives			
Forward contracts	-697	-160	-66
Total	-2,087	-1,037	-1,034

Currency and copper derivatives are used only in hedging currency and copper risks. PKC Group does not apply hedge accounting to currency and copper derivative instruments in accordance with IAS 39. Fair values of currency and copper derivatives are recognised through profit and loss. PKC Group applies hedge accounting to interest rate swaps.

7. QUARTERLY KEY INDICATORS, CONSOLIDATED	1-3/12 3 mon.	4-6/12 3 mon.	7-9/12 3 mon.	10-12/12 3 mon.	1-3/13 3 mon.	4-6/13 3 mon.
Revenue, EUR million	242.0	244.8	227.4	214.0	225.2	235.1
Operating profit, EUR million	12.7	14.2	12.5	4.0	5.9	12.0
% of revenue	5.3	5.8	5.5	1.9	2.6	5.1
Profit before taxes, EUR million	10.5	14.0	9.8	0.7	4.7	9.4
% of revenue	4.3	5.7	4.3	0.3	2.1	4.0
Equity ratio, %	30.9	31.2	32.5	33.9	34.8	34.5
Earnings per share (EPS), diluted (EUR)	0.33	0.46	0.31	0.03	0.14	0.28
Equity per share, EUR	7.65	7.51	7.68	7.64	8.06	7.14

QUARTERLY KEY INDICATORS, WIRING SYSTEMS						
Revenue, EUR million	226.6	226.8	209.2	196.1	208.4	217.2
Operating profit, EUR million	15.0	14.4	12.5	5.2	6.5	12.9
% of revenue	6.6	6.3	6.0	2.6	3.1	6.0

QUARTERLY KEY INDICATORS, ELECTRONICS						
Revenue, EUR million	15.3	18.0	18.3	17.8	16.7	17.9
Operating profit, EUR million	-1.0	0.7	1.3	-0.2	1.1	1.8
% of revenue	-6.5	3.7	6.9	-0.8	6.6	10.1

CALCULATION OF INDICATORS

Return on equity (ROE), %
= 100 x Profit for the report period / Total equity (average)

Return on investments (ROI), %
= 100 x (Profit before taxes + financial expenses) / (Total equity + interest-bearing liabilities (average))

Net liabilities
= Interest bearing liabilities – cash and cash equivalents

Gearing, %
= 100 x (Interest-bearing liabilities – cash and cash equivalents) / Total equity

Equity ratio, %
= 100 x Total equity / (Total of the statement of financial position – advance payments received)

Current ratio
= Total current assets / Total current liabilities

Earnings per share (EPS), EUR
= Profit for the report period attributable to equity holders of the parent company / Average share issue-adjusted number of shares

Shareholders' equity per share, EUR
= Equity attributable to equity holders of the parent company / Share issue-adjusted number of shares at the date of the statement of financial position

Cash flow per share, EUR
= Cash flows after investments / Average share issue-adjusted number of shares

Market capitalisation
= Number of shares at the end of the report period x the last trading price of the report period

EBITDA
= Operating profit + non-recurring items + depreciation, amortisation and impairments

EBITA
= Operating profit + non-recurring items + PPA depreciation and amortisation

Net working capital
= Inventory + current non-interest-bearing receivables – current non-interest-bearing liabilities

All the future estimates and forecasts presented in this stock exchange release are based on the best current knowledge of the company's management and information published by market research companies and customers. The estimates and forecasts contain certain elements of risk and uncertainty which, if they materialise, may lead to results that differ from present estimates. The main factors of uncertainty are related, among other things, to the general economic situation, the trend in the operating environment and the sector as well as the success of the Group's strategy.

PKC GROUP PLC
Board of Directors

Matti Hyytiäinen
President & CEO

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PRESS CONFERENCE

A press conference on the interim report will be arranged for analysts and investors today, 8 August 2013, at 10.00 a.m., at the address Event Arena Bank, Unioninkatu 20, Helsinki.

DISTRIBUTION

NASDAQ OMX
Main media
www.pkcgroup.com

PKC Group is a global partner, designing, manufacturing and integrating electrical distribution systems, electronics and related architecture components for the commercial vehicle industry and other selected segments. The Group has production facilities in Brazil, China, Estonia, Finland, Germany, Mexico, Poland, Russia, Ukraine and the USA. The Group's revenue in 2012 totalled EUR 928.2 million. PKC Group Plc is listed on NASDAQ OMX Helsinki Ltd.



MANAGING THE COMPLEXITY

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